



March 14, 2022

The Honorable Matthew Lesser and The Honorable Kerry Wood, Co-Chairs
Insurance and Real Estate Committee

Re: Opposition to Senate Bill 356 – health insurance policy premium rate filings

Dear Senator Lesser, Representative Wood, and committee members:

On behalf of the National Association of Dental Plans (NADP)¹, AHIP², American Council of Life Insurers (ACLI)³, American Property Casualty Insurance Association (APCIA)⁴, and the Insurance Association of Connecticut (IAC)⁵, thank you for the opportunity to provide comments on Senate Bill 356, which would require the insurance commissioner to consider “affordability” as a factor in reviewing health insurance policy premium rate filings.

¹ NADP is the largest non-profit trade association focused exclusively on the dental benefits industry. NADP’s members provide dental HMO, dental PPO, dental indemnity and discount dental products to more than 200 million Americans with dental benefits. Our members include the entire spectrum of dental carriers: companies that provide both medical and dental coverage, companies that provide only dental coverage, major national carriers, regional, and single state companies, as well as companies organized as non-profit plans.

² AHIP is the national association whose members provide coverage for health care and related services to hundreds of millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

³ ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are dedicated to protecting consumers’ financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI’s 280 member companies represent 94 percent of industry assets in the United States.

⁴ The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions – protecting families, communities, and businesses in the U.S. and across the globe.

⁵ The Insurance Association of Connecticut (IAC) a state-based trade association that represents Connecticut’s property and casualty insurance industry and Connecticut’s life insurance and financial security industries. Among other insurance-related products, IAC members offer (i) home insurance, (ii) auto insurance, (iii) workers’ compensation insurance, (iv) liability insurance, (v) group benefits, (vi) life insurance, (vii) annuities, (viii) retirement plans, (ix) long-term care insurance, (x) disability income insurance, and (xi) reinsurance.

The insurance industry represented by the organizations listed here opposes this legislation because it is unnecessary and places an ill-defined regulatory burden on both the insurance department and insurance carriers: the current regulatory standard for review of insurance rates requires the insurance commissioner to assure that rates are not excessive, inadequate, or unfairly discriminatory. This standard is based on actuarial soundness determinations as to whether a product is sustainable – i.e., the premiums are expected to cover claims and operating expenses. Additionally, the insurance commissioner already has the authority to determine whether premium rates are appropriate relative to the level of benefits available.

The amendment imposes a new regulatory standard that is subjective. There is no definition for “affordability” and no parameters for how the insurance commissioner is to make such a determination. If a product’s rates are found to be adequate and appropriate to the level of benefits, then the consumers themselves make the determination of whether a product is affordable for them.

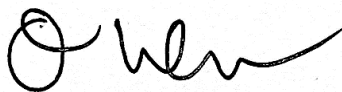
Further, as drafted, the legislation would apply to voluntary benefit products that typically have low premiums. Industry questions whether that was the intent since the affordability of such products is normally not in question and their inclusion adds a significant burden to the insurance department in their review process.

We appreciate the opportunity to share our views, and we are available to answer questions or provide additional information. Thank you again for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'Jill Rickard', with a stylized, cursive script.

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A handwritten signature in black ink, appearing to be 'Owen Urech', with a stylized, cursive script.

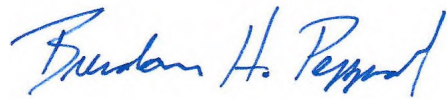
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